

FREQUENTLY ASKED QUESTIONS
BANK INDONESIA REGULATION NO. 10/6/PBI/2008
CONCERNING THE BANK INDONESIA REAL TIME GROSS
SETTLEMENT SYSTEM

1. What is the BI-RTGS System?

The BI-RTGS is a system for electronic funds transfer among Participants in the rupiah currency, with settlement conducted on an individual transaction basis in real time.

2. What are the roles of Bank Indonesia in the operation of the BI-RTGS System?

In the operation of the BI-RTGS System, Bank Indonesia plays the roles of operator, participant and overseer.

3. What is financial risk in the operation of the BI-RTGS System?

Financial risk is the risks arising from financial transactions, consisting of liquidity risk and credit risk.

4. What is liquidity risk in the operation of the BI-RTGS System?

Liquidity risk is the risk to a Participant if the counterparty is unable to meet obligations when due, but does not mean that the counterparty Participant is insolvent (unable to pay).

5. What is credit risk in the operation of the BI-RTGS System?

Credit risk is the risk to a Participant if the counterparty defaults by reason of insolvency.

6. What does the Operator do to mitigate payment system risks?

To mitigate risk in the payment system, the Operator provides the Intraday Liquidity Facility, real time monitoring of account balances, gridlock detection and gridlock resolution.

7. What can Participant do to manage payment system risks?

To manage payment system risk, Participant may monitor transaction queues and change sequencing priority of transactions.